



**HUMAN-FRIENDLY, ECO-FRIENDLY,
SPORTS-FRIENDLY**

Food Sourcing Specialists, S.L.'s support
to the United Nations Global Compact

Communication on Progress Report 2021



Index

| | |
|---|---|
| OUR COMMITMENT TO SUPPORT THE UN GLOBAL COMPACT | 3 |
| Our Mission | 3 |
| FSS joins the UN Global Compact | 3 |
| CEO STATEMENT | 4 |
| ACTIONS SUPPORTING THE UN PRINCIPLES AND SDGS | 5 |
| Human Rights | 5 |
| Labour Rights | 5 |
| Environment | 6 |
| Anti-Corruption | 7 |

Our commitment to support the UN Global Compact

Food Sourcing Specialists, S.L. ("FSS") is an SME company based in Barcelona, founded in 2014, which distributes healthy food, sports and over-the-counter pharmacy products, mostly organic, from third parties, as well as its own new organic sports nutrition brand, named WIN IT.

FSS' founders are Françoise de Valera Rose and Glenn Patrick Du Pree, two trail runners passionate about sport and committed to the protection of the environment, who devised the sports nutrition range WIN IT to offer sportspeople high performance sports nutrition products that are healthy and environmentally friendly. In September 2019, the company initiated an R&D&I project to develop the product range and also innovative home compostable packaging materials in which to package it, with €1.9 million in co-financing from the European Union Horizon 2020 innovation program. For FSS, 2021 was a year of intensive R&D&I activity to develop and refine the innovations on the sports nutrition range and home compostable packaging.

In April 2022, FSS launched its own brand of organic sports nutrition products, under the brand name WIN IT, that will be soon offered in innovative home compostable packaging, originally developed by FSS.

Our Mission

FSS has a mission to contribute to the protection of humans and the environment through the development and international distribution of sports nutrition products that respect the human body and the natural environment.

FSS joins the UN Global Compact

When we joined the United Nations Global Compact in February 2021, we reinforced our commitment to sustainability as our company's mission and reaffirmed our ambition to help build a more responsible and respectful society for people and the planet.

We are proud to be among the 13,000 organizations worldwide brought together by the United Nations Global Compact that have committed to operate in compliance with the universally accepted Ten Principles in the areas of human rights, labour standards, environment and anti-corruption, and to support the Sustainable Development Goals ("SDG") set by the United Nations for 2030.



At FSS, we chose to specifically support the following SDGs through our business activities and direct actions: SDG 8 on Decent Work and Economic Growth, SDG 9 on Industry, Innovation and Infrastructure and SDG 12 on Responsible Production and Consumption.

CEO Statement

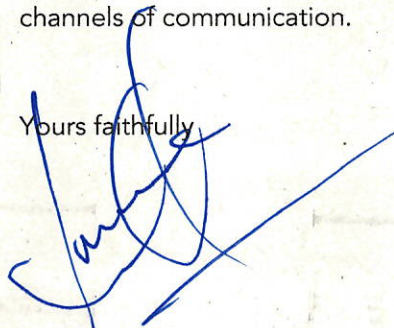


To whom it may concern

I am pleased to confirm that **Food Sourcing Specialists, S.L.** reaffirms its support of the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders, using our primary channels of communication.

Yours faithfully,

A handwritten signature in blue ink, which appears to be "Françoise de Valera Rose", written over the "Yours faithfully," text.

Françoise de Valera Rose
Co-founder and CEO
Food Sourcing Specialists, S.L.

Actions Supporting the UN Principles and SDGs

FSS is fully committed to the UN Global Compact principles and SDGs, and the following actions recorded in the period 22nd February 2021 to 22nd February 2022 are an example of it.

Human Rights

FSS supports and respects the protection of human rights. We recognise cultural differences and support internationally agreed conventions on human rights and labour rights, including the Universal Declaration of Human Rights and ILO's Declaration of Fundamental Principles and Rights at Work. We dissociate ourselves from all forms of slavery, torture, cruel, inhuman or degrading treatment, working conditions that are a threat to life or health, child labour and heavy, irreversible environmental damage. We will assess the implications to human rights of major business decisions and seek dialogue with stakeholders.

Labour Rights

FSS fully respects the labour laws and values its employees, offering them the best possible work environment and work-life balance.

FSS is a female-led company, currently with a majority of female employees. In December 2021, 7 out of the 10 employees of the company were women. As in the past, the best possible candidate will be always selected, irrespective of the gender. However, we aim to see a more balanced distribution of gender in the company over the coming 2 years. We are also an LGBTQ+ friendly company.



FSS is organised with a flat structure, without a traditional organisational chart, where transparency, initiative, teamwork, and innovation are promoted and practiced in all areas of FSS. Since FSS was founded in 2014 (long before the COVID pandemic started), **the entire team works from home to facilitate their work-life balance**, as well as to save their time from not needing to commute to an office, while **avoiding the expenditure and CO2 impact of transportation**.

All employees are reminded periodically to be conscious about the **importance of disconnecting after work** to keep a good health and work-life balance. Also, employees are encouraged to spend all their annual leave days, and to take time off in compensation whenever they occasionally are needed to work out of their normal working hours, e.g. to manage stands at events. The Spanish Government passed the Reformed Labour Law on 31st December 2021, which reflects in legal terms the practice we had already in place at FSS.

FSS is fully committed to build a diverse workforce and a work environment free of discrimination and with equal opportunities for all persons entering or joining the workforce. To support this objective:

1. FSS strives to pay their employees fairly and above Spain's minimum wage, which was of €13,300/year in 2021.

The average salary at FSS was 66% above 2021 Spanish minimum wage.

2. An internal audit on 2021 wages was conducted to make sure that employees executing the same tasks are **equally paid**, irrespective of their personal condition (gender, age, origin, etc.).

The audit revealed that employees were equally paid, and there were no differences in wages among employees who were performing the same tasks. However, the audit uncovered that there was one employee that had increased responsibilities since their start date and a compensation update was conducted in 2022 to remediate the difference.

3. Whenever there is an open position, the job offer is written in inclusive language, and it is made clear that FSS follows a non-discriminatory approach and will not take into account gender, age, origin or other personal choices to be considered for the job.

Three job offers were published in 2021. They all stated FSS' non-discriminatory approach with regards to gender, age, origin and personal identity.

4. FSS is **against forced, bonded and children labour**, and to the furthest extent of our knowledge, all our stakeholders are of course against it too.

Environment

FSS is fully committed to protect the environment by reducing the use of fossil-based plastic in packaging, particularly in the food industry, and minimizing the carbon footprint of its business activities.



A major initiative in 2021 has been the execution of the R&D&I **project to develop food-grade home compostable packaging materials** that will help to reduce the use of petroleum-based and other contaminating plastics.

The sustainable packaging materials developed, branded as Pack2Earth, are made out plant matter and they are home compostable; therefore, they can be disposed of with organic waste in city council bins or composted at home with garden waste. When they compost, they become an organic soil which is able to sustain new plant life.

Two packaging materials have been developed: a flexible film and an injection material, that have been specifically designed to package from dry to semi-liquid food products and to be able to offer a long shelf life to avoid food waste. We also filed a patent for a food pouch design to minimise food waste.

Beyond the use of the innovative Pack2Earth packaging materials to package its WIN IT organic sports nutrition range, FSS is encouraging the organic food suppliers of its distribution business to replace their fossil-based packaging with Pack2Earth sustainable packaging. We set for ourselves the goal for 2030 to help 50% or more of the food product suppliers we buy from to then distribute their products to reduce the amount of plastic in their primary, secondary and/or tertiary packaging.

In 2021, 8,6% of our food product suppliers have already initiated pilot tests to replace the fossil-based packaging of their products with Pack2Earth home compostable solutions.

Another major initiative in 2021 was the formulation refinement of the **sports nutrition products of the WIN IT range**. FSS' R&D&I team worked tirelessly to achieve a formulation made with only healthy, organic ingredients that provide sportspeople elite performance without the refined sugars and synthetic ingredients contained in the majority of sport nutrition products that can be found on the market.

As a result of the R&D&I work conducted in 2021, **1 healthy organic recovery drink and 5 organic energy gels** were developed for refinement and launch in 2022. All the products are gluten-free and dairy-free, and do not include the most common allergens, to offer healthy options to many sportspeople who suffer autoimmune diseases, allergies and intolerances.

At FSS, we strongly believe in the power of innovation to make a better world, and in the capacity of SME companies to innovate and propose technology solutions that help to protect the environment and human beings.

In 2021, FSS invested €877k in our R&D&I programme to develop home compostable packaging materials and healthy sports nutrition products that will improve two major societal issues: pollution caused by fossil-based plastic and human health.



INNOVATIVE SME
Valid until Aug 12th 2024



In recognition of FSS' intensive R&D&I activity in sustainable packaging materials, in August 2021 we were awarded "the Innovative SME (PyME Innovadora) seal of approval by the Spanish Ministry of Science and Innovation.

To further extend our commitment to environmental protection, we took action to complement our business initiative of developing home compostable packaging and engaged with nonprofit organizations that support environmental causes as part of their mission.

In September 2021, we became a member of 1% for the Planet, an organisation that represents a global network of businesses, individuals and not-for-profit organisations tackling our planet's most pressing environmental issues.



As new member of the organisation, we supported the application of BeeLife European Beekeeping Coordination, a solution-oriented non-profit organisation working to improve conditions for bees and pollinators, to join the network, and allocated 1% of our new WIN IT sports nutrition product sales to improving environmental conditions for the future of bees, biodiversity, and human beings.

FOR THE PLANET

Anti-Corruption

FSS accepts no form of corruption or bribery, including, but not limited to achieving advantages, benefits or at influencing political or legal processes.



Food Sourcing Specialists, S.L.'s COP Report 2021

END